

# HB5314



## 95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5314

by Rep. Marlow H. Colvin

### SYNOPSIS AS INTRODUCED:

625 ILCS 5/6-305.2

Amends the Illinois Vehicle Code. Raises the actual and reasonable cost limits for loss due to the theft of a rental motor vehicle to up to \$2,008 (instead of up to \$2,000).

LRB095 18240 LCT 44324 b

A BILL FOR

1 AN ACT concerning transportation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Vehicle Code is amended by changing  
5 Section 6-305.2 as follows:

6 (625 ILCS 5/6-305.2)

7 Sec. 6-305.2. Limited liability for damage.

8 (a) Damage to private passenger vehicle. A person who rents  
9 a motor vehicle to another may hold the renter liable to the  
10 extent permitted under subsections (b) through (d) for physical  
11 or mechanical damage to the rented motor vehicle that occurs  
12 during the time the motor vehicle is under the rental  
13 agreement.

14 (b) Limits on liability. The total liability of a renter  
15 under subsection (a) for damage to a motor vehicle may not  
16 exceed all of the following:

17 (1) The lesser of:

18 (A) Actual and reasonable costs that the person who  
19 rents a motor vehicle to another incurred to repair the  
20 motor vehicle or that the rental company would have  
21 incurred if the motor vehicle had been repaired, which  
22 shall reflect any discounts, price reductions, or  
23 adjustments available to the rental company; or

1           (B) The fair market value of that motor vehicle  
2           immediately before the damage occurred, as determined  
3           in the customary market for the retail sale of that  
4           motor vehicle; and

5           (2) Actual and reasonable costs incurred by the loss  
6           due to theft of the rental motor vehicle up to \$2,008  
7           ~~\$2,000~~; provided, however, that if it is established that  
8           the renter or an authorized driver failed to exercise  
9           ordinary care while in possession of the vehicle or that  
10          the renter or an authorized driver committed or aided and  
11          abetted the commission of the theft, then the damages shall  
12          be the actual and reasonable costs of the rental vehicle up  
13          to its fair market value, as determined by the customary  
14          market for the sale of that vehicle.

15          For purposes of this subsection (b), for the period prior  
16          to June 1, 1998, the maximum amount that may be recovered from  
17          an authorized driver shall not exceed \$6,000; for the period  
18          beginning June 1, 1998 through May 31, 1999, the maximum  
19          recovery shall not exceed \$7,500; and for the period beginning  
20          June 1, 1999 through May 31, 2000, the maximum recovery shall  
21          not exceed \$9,000. Beginning June 1, 2000, and annually each  
22          June 1 thereafter, the maximum amount that may be recovered  
23          from an authorized driver shall be increased by \$500 above the  
24          maximum recovery allowed immediately prior to June 1 of that  
25          year.

26          (c) Multiple recoveries prohibited. Any person who rents a

1 motor vehicle to another may not hold the renter liable for any  
2 amounts that the rental company recovers from any other party.

3 (d) Repair estimates. A person who rents a motor vehicle to  
4 another may not collect or attempt to collect the amount  
5 described in subsection (b) unless the rental company obtains  
6 an estimate from a repair company or an appraiser in the  
7 business of providing such appraisals on the costs of repairing  
8 the motor vehicle, makes a copy of the estimate available upon  
9 request to the renter who may be liable under subsection (a),  
10 or the insurer of the renter, and submits a copy of the  
11 estimate with any claim to collect the amount described in  
12 subsection (b).

13 (e) Duty to mitigate. A claim against a renter resulting  
14 from damage or loss to a rental vehicle must be reasonably and  
15 rationally related to the actual loss incurred. A rental  
16 company shall mitigate damages where possible and shall not  
17 assert or collect any claim for physical damage which exceeds  
18 the actual costs of the repair, including all discounts or  
19 price reductions.

20 (f) No rental company shall require a deposit or an advance  
21 charge against the credit card of a renter, in any form, for  
22 damages to a vehicle which is in the renter's possession,  
23 custody, or control. No rental company shall require any  
24 payment for damage to the rental vehicle, upon the renter's  
25 return of the vehicle in a damaged condition, until after the  
26 cost of the damage to the vehicle and liability therefor is

1 agreed to between the rental company and renter or is  
2 determined pursuant to law.

3 (g) If insurance coverage exists under the renter's  
4 personal insurance policy and the coverage is confirmed during  
5 regular business hours, the renter may require that the rental  
6 company must submit any claims to the renter's personal  
7 insurance carrier as the renter's agent. The rental company  
8 shall not make any written or oral representations that it will  
9 not present claims or negotiate with the renter's insurance  
10 carrier. For purposes of this Section, confirmation of coverage  
11 includes telephone confirmation from insurance company  
12 representatives during regular business hours. After  
13 confirmation of coverage, the amount of claim shall be resolved  
14 between the insurance carrier and the rental company.

15 (Source: P.A. 90-113, eff. 7-14-97.)